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SIPDIS

EMBASSY WARSAW FOR AGRICULTURAL ATTACHE ERIC WENBERG

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SUBJECT: AMBASSADOR CALLS ON MINISTER OF AGRICULTURE

¶1. Summary. On December 18th Ambassador Derse made her first call on Minister of Agriculture Kazys Starkevicius to learn more about Lithuania's agricultural sector, which accounts for 4.5% of Lithuania's GDP. They shared ideas on business exchange opportunities such as the upcoming visit of agricultural industry representatives from Nebraska and Lithuania's AgroBalt exhibition in the spring. Starkevicius said that the economic crisis has not had a big impact on Lithuania's agriculture industry noting that exports are largely unchanged from one year ago. He said that trade disputes with Russia remain a concern. Starkevicius also discussed agriculture programs that the GOL is implementing in coordination with the EU. End summary.

¶2. Starkevicius said that 29% of Lithuania's agricultural exports go to Russia. He expressed concern about Russia's interference with Lithuanian dairy exports last summer. Starkevicius explained that Russia has more stringent standards than the EU for antibiotic content in dairy products. He said that Lithuanian products must meet both standards and alluded that the problem with Russia was more political than technical. (Note: on December 28 Russia prohibited the import of meat and cheese from two Lithuanian producers, reigniting this perennial problem).

¶3. Starkevicius discussed several EU agricultural programs underway in Lithuania including a rural development plan to preserve cultural heritage sites such as churches and markets. The GOL is also using EU funds to offer incentives for agricultural workers to seek employment in other sectors to help diversify the economy. Starkevicius added that the GOL will open a Land Bank on July 1 to encourage the leasing of abandoned land by developers who will cultivate the properties. He explained that there are 444,000 hectares of abandoned land in Lithuania that were purchased for speculative purposes and are now unused.

¶4. The Ambassador highlighted an upcoming visit by 31 agricultural industry representatives from Nebraska who will participate in a Leadership Education Action Development (LEAD) international study seminar in the Baltic States January 11-22. The group will meet with MOA officials to exchange ideas on agriculture programs and to identify prospects for business opportunities. The Nebraska group will also meet with U.S. Embassy representatives for an overview on foreign policy goals and the investment climate in Lithuania. Starkevicius said that his team would like to take advantage of this opportunity learn more about U.S. agricultural support programs.

¶5. Starkevicius said that Lithuania will host the annual AgroBalt 2010 exhibition April 29 - May 1. He asked if the U.S. Embassy would be willing to operate a booth and invite U.S. business representatives to participate. Ambassador

Derse assured him that our Embassy will work with our
Agricultural Attach in Warsaw to disseminate this request.
DERSE